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The Global Security Environment

To paraphrase the ancient Chinese curse . . . `we are living in very interesting times.' More than a decade has passed since the end of the Cold War, yet we seem no closer to the emergence of a new, stable international order. Rather, the complex mix of political, economic, military, and social factors that have undermined stability during much of the 1990s remain at play. The most important of these include:

Significant continuing uncertainties, especially regarding the future of Russia, China, Europe, the Middle East, and the Korean peninsula. Developments in each of these key states and regions will go a long way towards defining the future security environment. But it would, be difficult to be highly confident in predicting outcomes.

Rogue states, groups, and individuals (e.g. Iran and North Korea, numerous terrorist and international criminal groups, Usama Bin Ladin, etc.) who do not share our vision of the future and are willing to engage in violence to improve their position and undermine order. Many of these adversaries view the United States as the primary source of their troubles, and will continue to target our policies, facilities, interests, and personnel.

Rapid technology development and proliferation_particularly in the areas of information processing, biotechnology, communications, nano_technology, and weapons. Technology will continue to have a staggering impact on the way people live, think, work, and fight. Some aspects of our general military-technological advantage are likely to erode. Some technological surprises will undoubtedly occur.

Declining global defense spending. The 50 percent real reduction in global defense spending during the past decade is having multiple impacts. First, both adversaries and allies have not kept pace with the U.S. military (despite our own spending reductions). This has spurred foes toward asymmetric options, widened the gap between U.S. and allied forces, reduced the number of allied redundant systems, and increased the demand on unique U.S. force capabilities. Additional, longer-term impacts_on global defense technology development and proliferation, and on U.S.-allied defense industrial consolidation, cooperation, and technological competitiveness are likely.

Pressures resulting from unfavorable demographic developments. By 2020, developing world population will increase some 25 percent. Meanwhile, some 200930 million of the world's poorest people move into urban areas each year. These trends will continue to stress the resources, infrastructure, and leadership of states throughout Africa, Asia, and Latin America.

Growing disparities in global wealth and resource distribution. One quarter of the world's population (the developed world) controls nearly 80 percent of today's wealth and consumes the great majority of the world's resources. The numbers will get worse (from the developing world's

perspective) during the next 15 years, exacerbating north-south and interregional tensions.

Evolving global security structures, organizations, and institutions. The changing structure, role, adaptability, and influence of familiar Cold War entities_the UN, NATO, the Nation state, etc._and the increasing presence and impact of NGOs, brings greater uncertainty to the way policy is made and implemented in the post Cold War era.

Reaction to `western dominance.' Many individuals, groups, and states fear the global expansion and perceived dominance of western (and especially U.S.) values, ideals, culture, and institutions. Efforts to resist, halt, or undo this trend will spur anti-U.S. sentiments and behavior.

International drug cultivation, production, transport, and use will remain a major source of instability, both within drug producing, transit, and target countries, and between trafficking and consumer nations. The connection between drug cartels, corruption, and antigovernment activities (terrorism and insurgency) will increase as the narcotics trade provides an important funding source for criminal and antigovernment groups. States with weak democratic traditions and poor economic performance and prospects will be particularly susceptible. Counternarcotic activities win become more complex and difficult as new areas of cultivation and transit emerge and traffickers exploit advances in technology, communications, transportation, and finance.

Ethnic, religious, and cultural divisions will remain a motivation for and source of conflict in much of the world. As the situation in Kosovo demonstrates, ethnic-based conflict is often brutal and intractable.

Increasing numbers of people in need. A combination of factors_many of those listed above, plus inadequate infrastructure and health facilities, resource shortages, natural disasters, epidemics, and insufficient local, regional, and global response capabilities_have combined to increase the numbers of people requiring international humanitarian assistance. According to UN assessments, some 350940 million people worldwide needed aid each year during the 1990s, compared to slightly more than 20 million in 1985. Likewise, the number, size, cost, and duration of UN and other `peace operations' have risen significantly since the late 1980s.

These factors create the conditions in which threats and challenges emerge, and define the context in which U.S. strategy, interests, and forces operate. Collectively, they foster a complex, dynamic, and dangerous global security environment. A review of just a few of last year's headlines_Iraq's continued combativeness, prolonged ethnic tensions in the Balkans and Indonesia, Russia's ongoing offensive in Chechnya, North Korea's intransigence, continued hostility between India and Pakistan, Colombia's insurgency, and tribal and internecine disputes throughout many parts of Africa_underscores the point. Moreover, no power, condition, or circumstance is likely to emerge during the next 15 years capable of transcending this general instability and imposing a new global order. Accordingly, we can expect the global dynamic will continue to spur numerous crises, hotspots, and issues that will directly affect U.S. policy and interests. Containing, managing, and responding to these will be a constant challenge.

Against this backdrop of general global turmoil, I'd like to focus on three specific developments

that present more direct long term military challenges to U.S. policy and interests:

The asymmetric threat. Most adversaries recognize our general military superiority and want to avoid engaging the U.S. military on our terms, choosing instead to pursue a wide variety of initiatives designed to circumvent or minimize our strengths and exploit perceived weaknesses. Asymmetric approaches will become the dominant characteristic of most future threats to our homeland and a defining challenge for U.S. strategy, operations, and force development.

Strategic nuclear missile threats. We will continue to face strategic nuclear threats_from Russia and China, and eventually from North Korea and other `rogue' states. While the total number of warheads targeted against us will be much lower than during the Cold War, the mix of threat nations, force structures, capabilities, and employment doctrines will complicate the strategic threat picture.

Large regional military threats. Several potential regional adversaries will maintain large military forces featuring a mix of Cold War and post-Cold War technologies and concepts. Under the right conditions, these regional militaries could present a significant challenge.

The Growing Asymmetric Threat

Most of the rest of the world believes the United States will remain the dominant global power during the next 15 years. Foreign assessments generally point to the following U.S. strengths: our economy weathered the recent global financial crisis in excellent shape and is uniquely positioned to capitalize on the coming `high-tech boom;' we are among the world's leaders in the development and use of the most important technologies (both civilian and military); we have the world's best university system and the most fluid and effective capital markets; we spend nearly half of what the advanced industrial world spends on all types of research and development each year; we retain strong alliances with key nations; and we enjoy unrivaled `soft power'_the global appeal of American ideas, institutions, leadership and culture.

Perhaps even more striking, however, is how potential adversaries think about our military advantage. The superiority of U.S. military concepts, technology, and capabilities has been a key theme in foreign military assessments since Operation Desert Storm. Moreover, many foreign military leaders and writings express concern that our conventional warfighting lead will grow, given our doctrinal and resource commitment to achieving the operational capabilities envisioned in Joint Vision 2010.

Adversary anticipation of continued U.S. military superiority is the genesis of the asymmetric challenge. Potential U.S. opponents (from druglords and terrorists to criminal gangs, insurgents, and the civilian and military leadership of opposing states) do not want to engage the U.S. military on its terms. They are more likely to pursue their objectives while avoiding a U.S. military confrontation, and/or to develop asymmetric means (operational and technological) to reduce U.S. military superiority, render it irrelevant, or exploit our perceived weaknesses. Asymmetric approaches are imperative for U.S. adversaries and are likely to be a dominant component of most future threats.

The asymmetric problem is extremely complex because adversaries, objectives, targets, and means of attack can vary widely from situation to situation. Moreover, some developments_such as WMD and missile proliferation, counterspace capabilities, denial and deception operations, etc._could have both symmetric and asymmetric applications, depending on the context. Recognizing these potential ambiguities, and understanding that many different approaches are possible, I am most concerned about the following `asymmetric' trends, developments, and capabilities.

Threats to Critical Infrastructure. Many adversaries believe the best way to avoid, deter, or offset U.S. military superiority is to develop a capability to threaten the U.S. homeland. In addition to the strategic nuclear threats discussed below, our national infrastructure is vulnerable to disruptions by physical and computer attack. The interdependent nature of the infrastructure creates even more of a vulnerability. Foreign states have the greatest potential capability to attack our infrastructure because they possess the intelligence assets to assess and analyze infrastructure vulnerabilities, and the range of weapons_conventional munitions, WMD, and information operations tools_to take advantage of vulnerabilities.

The most immediate and serious infrastructure threat, however, is from insiders, terrorists, criminals, and other small groups or individuals carrying out well-coordinated strikes against selected critical nodes. While conventional munition attacks are most likely now, over time our adversaries will develop an increased capacity, and perhaps intent, to employ WMD. They are also likely to increase their capabilities for computer intrusion. Commercial off-the-shelf products and services present new security challenges and concerns, providing opportunities to develop software functions allowing unauthorized access, theft and manipulation of data, and denial of service.

Information Operations. Information operations can involve many components including electronic warfare, psychological operations, physical attack, denial and deception, computer network attack, and the use of more exotic technologies such as directed energy weapons or electromagnetic pulse weapons. Adversaries recognize our civilian and military reliance on advanced information technologies and systems, and understand that information superiority provides the U.S. unique capability advantages. Many also assess that the real center of gravity for U.S. military actions is U.S. public opinion. Accordingly, numerous potential foes are pursuing information operations capabilities as relatively low cost means to undermine support for U.S. actions, attack key U.S. capabilities, and counter U.S. military superiority.

The information operations threat continues to spread worldwide, with more mature technologies and more sophisticated tools being developed continuously. However, the level of threat varies widely from adversary to adversary. Most opponents currently lack the foresight or the capability to fully integrate all information operations tools into a comprehensive attack. Many with limited resources will seek to develop only computer network attack options_relying on modest training, computer hardware and software purchases, and/or the use of `hired' criminal hackers. At present, most nations probably have programs to protect their own information systems, and some_particularly Russia and China have offensive information operations capabilities. Today,

we are more likely to face information operations carried out by terrorists, insurgents, cults, criminals, hackers, and insider individuals spurred by a range of motivations.

Terrorism. Terrorism remains a very significant asymmetric threat to our interests at home and abroad. The terrorist threat to the U.S. will grow as disgruntled groups and individuals focus on America as the source of their troubles. Most anti-U.S. terrorism will be regional and based on perceived racial, ethnic or religious grievances. Terrorism will tend to occur in urban centers, often capitals. The U.S. military is vulnerable due to its overseas presence and status as a symbol of U.S. power, interests, and influence. However, in many cases, increased security at U.S. military and diplomatic facilities will drive terrorists to attack `softer' targets such as private citizens or commercial interests.

Terrorism will be a serious threat to Americans especially in most Middle Eastern countries, North Africa, parts of Sub-Saharan Africa, Turkey, Greece, the Balkans, Peru, and Colombia. The characteristics of the most effective terrorist organizations_highly compartmented operations planning, good cover and security, extreme suspicion of outsiders, and ruthlessness_make them very hard intelligence targets. Middle East-based terrorist groups will remain the most important threat. State sponsors (primarily Iran) and individuals with the financial means (such as Usama bin Ladin) will continue to provide much of the economic and technological support needed by terrorists. The potential for terrorist WMD use will increase over time, with chemical, biological, and radiological agents the most likely choice.

WMD and Missile Proliferation. Many potential adversaries believe they can preclude U.S. force options and offset U.S. conventional military superiority by developing WMD and missiles. Others are motivated more by regional threat perceptions. In either case, the pressure to acquire WMD and missiles is high, and, unfortunately, the post Cold War environment is more amenable to proliferation activities. New alliances have formed, providing pooled resources for developing these capabilities, while technological advances and global economic conditions have made it easier to transfer materiel and expertise. The basic sciences necessary to produce these weapons are widely understood. Most of the technology is readily available, and the raw materials are common. All told, the prospects for limiting proliferation are slim, and the global WMD threat to U.S.-allied territory, interests, forces, and facilities will increase significantly.

Several rogue states will likely acquire nuclear weapons during the next decade or so, and some existing nuclear states will undoubtedly increase their inventories. As these trends unfold, the prospects for limited nuclear weapons use in a regional conflict will rise. So too will the potential for a terrorist or some other subnational group to acquire and use a weapon.

Chemical and biological weapons are generally easier to develop, hide, and deploy than nuclear weapons and will be readily available to those with the will and resources to attain them. I expect these weapons to be widely proliferated, and they could well be used in a regional conflict over the next 15 years. I am also concerned that sub-national groups or individuals will use chemical or biological agents in a terrorist or insurgent operation. Such an event could occur in the United States or against U.S.-allied forces and facilities overseas. The planning for such `smaller-scale' incidents would be extremely difficult to detect, and consequently, to deter or warn against.

Theater-range ballistic and cruise missile proliferation is another growing challenge. I expect the numbers of ballistic missiles with ranges between 500 and 3,000 kilometers to increase significantly during the next 15 years and to become more accurate and destructive. Likewise, the potential for widespread proliferation of land attack cruise missiles is high. While the types of missiles most likely to be proliferated will be a generation or two behind the global state of the art, states that acquire them will have new or enhanced capabilities for delivering WMD or conventional payloads inter-regionally against fixed targets. Major air and sea ports, logistics bases and facilities, troop concentrations, and fixed communications nodes will be increasingly at risk.

The Foreign Intelligence Threat. Adversaries hoping to employ asymmetric approaches against the United States desire detailed intelligence on U.S. decisionmaking, operational concepts, capabilities, shortcomings, and vulnerabilities. Consequently, we continue to face extensive intelligence threats from a large number of foreign nations and sub-national entities including terrorists, international criminal organizations, foreign commercial enterprises, and other disgruntled groups and individuals. These intelligence efforts are generally targeted against our national security policy-making apparatus, our national infrastructure, our military plans, personnel, and capabilities, and our critical technologies. While foreign states_particularly Russia and China_present the biggest intelligence threat, all our adversaries are likely to exploit technological advances to expand their collection activities. Moreover, the open nature of our society, and increasing ease with which money, technology, information, and people move around the globe in the modern era, make effective counterintelligence and security that much more complex and difficult to achieve.

Cover, Concealment, Camouflage, Denial and Deception (C\3\D\2\). Many potential adversaries_nations, groups, and individuals_are undertaking more and increasingly sophisticated C\3\D\2\ activities against the United States. These operations are generally designed to hide key activities, facilities, and capabilities (e.g. mobilization or attack preparations, WMD programs, advanced weapons systems developments, treaty noncompliance, etc.) from U.S. intelligence, to manipulate U.S. perceptions and assessments of those programs, and to protect key capabilities from U.S. precision strike platforms. Foreign knowledge of U.S. intelligence and military operations capabilities is essential to effective C\3\D\2\. Advances in satellite warning capabilities, the growing availability of camouflage, concealment, deception, and obscurant materials, advanced technology for and experience with building underground facilities, and the growing use of fiber optics and encryption, will increase the C\3\D\2\ challenge.

Counter-Space Capabilities. The U.S. reliance on (and advantages in) the use of space platforms is well known by our potential adversaries. Many are attempting to reduce this advantage by developing capabilities to threaten U.S. space assets, in particular through denial and deception, signal jamming, and ground segment attack. By 2015, future adversaries will be able to employ a wide variety of means to disrupt, degrade, or defeat portions of the U.S. space support system. A number of countries are interested in or experimenting with a variety of technologies that could be used to develop counter-space capabilities. These efforts could result in improved systems for space object tracking, electronic warfare or jamming, and directed energy weapons.

The Strategic Nuclear Threat

Russia. Russian strategic forces are in flux. During the 1990s, force levels were reduced significantly, and additional reductions are certain during the next 15 years. But the precise size and shape of Moscow's future strategic deterrent will depend on several `unknown' factors, including: future resource levels, arms control considerations, threat perceptions, Russia's ability to maintain aging force elements, and the success of strategic force modernization programs. Despite this general uncertainty, I can foresee virtually no circumstance, short of state failure, in which Russia will not maintain a strong strategic nuclear capability, with many hundreds of warheads and relatively modem delivery platforms capable of striking the United States. I say this because even during the past decade, with severe economic constraints and other more pressing priorities, Moscow mustered the political will and resources to maintain key aspects of its strategic forces capability, fund several new strategic weapons programs, and upgrade portions of its strategic infrastructure. Moreover, strategic forces continue to receive priority today_in terms of manpower, training, and other resources.

In addition to the changes in strategic force composition, Moscow's thinking about the role, utility, and employment of nuclear forces is in flux. The 1999 Draft Russian Military Doctrine provides some insights. It includes a nuclear weapons use formulation similar to that described in the 1993 doctrinal document, but widens the theoretical threshold for Russian employment of nuclear weapons during a conventional conflict if the situation becomes `critical' to national security. Russia's strategic force posture and strategy win continue to evolve, reflecting the uncertain political and economic situation, changing Russian perceptions of the international security environment and strategic threats, and the increased dependence on strategic forces as the `backbone' of Russian military power. This uncertainty in Russian strategic thinking is troubling.

China. China's strategic nuclear force is small and dated at present, but Beijing's top military priority is to strengthen and modernize its strategic nuclear deterrent. Several new strategic missile systems are under development, along with upgrade programs for existing missiles, and for associated command, control, communications and other related strategic force capabilities. In early August 1999, China conducted the first test flight of its DF0931 ICBM. It will be deployed on a road-mobile launcher and will have the range to target portions of North America. While the pace and extent of China's strategic modernization clearly indicates deterrent rather than `first strike' intentions, the number, reliability, survivability, and accuracy of Chinese strategic missiles capable of hitting the United States will increase significantly during the next two decades.

Rogue Strategic Forces. Russia and China are the only potential threat states capable today of targeting the United States with intercontinental ballistic missiles. However, I am increasingly concerned that more radical hostile nations particularly North Korea and Iran_will develop that capability over the next several years. The growing availability of missile technology, components, and expertise, intense political pressure to acquire longer-range ballistic missiles, the willingness of some states to take shortcuts and accept more risk in their missile development programs, and our sometimes limited ability to reliably track these protected programs, are all cause for concern. Moreover, we must assume that any state capable of developing or acquiring

missiles with intercontinental range will likely be able to arm those missiles with weapons of mass destruction.

Whether this broader threat emerges sooner or later, during the next 15 years, the strategic nuclear environment will become more diverse and complex. This has significant implications for U.S. strategic force planning, doctrine, deterrence, and targeting.

Large Regional Militaries

Joint Vision 2010 is the conceptual template for U.S. force development. It envisions a 21st Century `information age' U.S. military that leverages high quality, highly-trained personnel, advanced technology, and the development of four key operational concepts_dominant maneuver, precision engagement, full dimensional protection, and focused logistics_to achieve dominance across the range of military operations. The United States, and to a lesser extent our closest allies, are moving steadily toward the capabilities embodied in this vision.

In contrast, most other large militaries will continue to field primarily `industrial age' forces_generally mass and firepower oriented, employing large armored and infantry formations, late-generation Cold War (vice 2lst Century) technologies, and centralized, hierarchical command-and-control structures. Over the next 15 years, many regional states will seek to augment these forces with selected high-end capabilities, including: WMD and missiles, advanced C\4\I systems, satellite reconnaissance, precision strike systems, global positioning, advanced air defense systems, and advanced anti-surface ship capabilities. It is likely that in any large regional conflict beyond 2010, U.S. forces will face adversaries who combine the mass and firepower of a late0920th century force with some more-advanced systems and concepts.

On paper, such forces would be hard pressed to match our dominant maneuver, power projection, and precision engagement capabilities. Most would prefer not to engage in traditional conventional warfare with the US. But in an actual combat situation, the precise threat these forces pose will depend on the degree to which they have absorbed and can apply key technologies, have overcome deficiencies in training, leadership, doctrine, and logistics, and on the specific operational-tactical environment. Under the right conditions, their quantitative capability, combined with situational advantages_e.g. initiative, limited objectives, short lines of communication, familiar terrain, time to deploy and prepare combat positions, and the skillful use of asymmetric approaches_will present significant challenges to U.S. mission success. China and Russia at the high end, followed by North Korea, Iran, and Iraq, are all examples of militaries that could field large forces with a mix of current and advanced capabilities.

China. Beijing is modernizing and improving the People's Liberation Army (PLA) at a steady pace, consistent with the country's overall emphasis on general economic and infrastructure development. During the past year, the PLA has fielded several new ballistic missiles, agreed to purchase Su0930 FLANKER aircraft from Russia (delivery within 2 years), and taken delivery of the fourth Russian KILO submarine and additional indigenous submarines. Just this month, the PLA received the first of two SOVREMENNYY destroyers from Russia, and could field its first airborne early warning aircraft within the next year or so.

Beyond modernization, the PLA has revised its training program to improve pilot proficiency, improve its capabilities for engaging stealth aircraft, cruise missiles, and helicopter gunships, and improve its ability to defend against precision strikes, electronic jamming, and all forms of reconnaissance. In addition, logistics are being centralized and modernized across the force. The PLA is also upgrading C\4\I links to its forces with satellite dishes, fiber optic, and video links.

As a result of these and other developments, China's capability for regional military operations will improve significantly. By 2010 or so, some of China's best units will have achieved a reasonably high level of proficiency at maneuver warfare (though they will probably not fully master large, complex joint service operations until closer to 2020). Moreover, by 2015 Chinese forces will be much better equipped, possessing more than a thousand theater-range missiles, hundreds of fourth-generation aircraft, thousands of `late Cold War equivalent' tanks and artillery, a handful of advanced diesel and third generation nuclear submarines, and some 20 or so new surface combatants. China is also likely to field an integrated air defense system and modern command-and-control systems at the strategic and operational levels.

The Taiwan issue will remain a major potential flashpoint, particularly over the near term. As tensions between China and Taiwan remain high, there is an increased risk of small scale military `incidents'_intimidating exercises, heightened force readiness in border regions, accidents involving opposition air or naval forces in close proximity, etc. It is doubtful, however, unless Taipei moved more directly toward independence, that China would attempt a larger scale military operation to attack Taiwan outright. Beijing recognizes the risk inherent in such a move and, at least for the near term, probably has questions about its military ability to succeed. Nevertheless, by 2015, China's conventional force modernization will provide an increasingly credible military threat against Taiwan (though probably not the large amphibious capability necessary for invasion).

Russia. Moscow will remain focused on internal political, economic, and social imperatives for at least the next decade. Meanwhile, Russia's Armed Forces continue in crisis. The military leadership remains capable of exercising effective control, but there is increased potential for collapse in military discipline, particularly in the event of a large-scale internal crisis. The Defense Ministry and General Staff are attempting to cope with broad-based discontent while struggling to implement much-needed reforms. Compensation, housing, and other shortfalls continue to undermine morale. Under these conditions_chronic underfunding and neglect_there is little chance that Moscow's conventional forces will improve significantly during the next decade.

Beyond that timeframe, the size, characteristics, and capabilities of Russia's conventional forces could vary widely, depending on the outcome of numerous unsettled issues. Among the most important of these are the size of Russia's defense budget, Russian threat perceptions, the achievement of national consensus on a blueprint for military reform, and Moscow's success at restoring the 'intangible' components of military effectiveness (leadership, readiness, morale, sustainment, etc.). Two alternatives seem most likely:

If the Russian military experiences continued underfunding, indecision, and leadership

indifference, it will remain chronically weak, and present about the same (or even a reduced) level of threat to U.S. interests in 2015 as it does today. This alternative becomes more likely the longer Russia's economic problems persist, defense budgets decline or remain relatively stagnant, there is no consensus on the direction for defense reform, and the National leadership continues to neglect the needs of the military.

If economic recovery and political stability come sooner rather than later, and the military receives stable, consistent leadership and resources, Russia could begin rebuilding an effective military toward the end of this decade, and field a smaller, but more modern and capable force in the 2015 timeframe. This improved force would be large and potent by regional standards, equipped with thousands of late-generation Cold War systems, and hundreds of more advanced systems built after 2005.

North Korea. North Korea will remain a challenging dilemma: a `failing' state with rising internal pressures and limited conventional military capability, but posing an increasing regional and global threat by virtue of its expanding WMD and long-range missiles. As the pressure builds on the economy, society, and military, there is increased potential for internal collapse, instability, and leadership change.

North Korea's capability to successfully conduct complex, multi-echelon, large-scale operations to reunify the Korean peninsula declined in the 1990s. This was, in large measure, the result of severe resource constraints, including widespread food and energy shortages. Still, Pyongyang has managed to maintain a huge military force numbering over one million personnel. I am most concerned about Pyongyang's very large, forward-deployed forces, and its extensive 'asymmetric' capabilities_WMD and missiles, underground facilities, and special operations forces. These capabilities, combined with the time, distance, terrain, and other theater characteristics, make a Korean war scenario very challenging. War on the peninsula would be very violent and destructive, and could occur with little warning.

North Korea's resource difficulties will continue with limited policy changes insufficient to allow a major economic recovery. Nevertheless, Pyongyang will continue to place a high premium on military power (as a source of leverage in international and bilateral fora), and will strive, with some limited success, to slow the erosion of its conventional military forces and to continue to expand its asymmetric capabilities.

Iran. Iran's armed forces are embarked on an uneven, yet deliberate, military buildup designed to ensure the security of the cleric-led regime, increase its influence in the Middle East and Central Asia, deter Iraq or any other regional aggressor, and limit U.S. regional influence. Iran's leaders seek to dominate the Gulf area, and, at present, we have major concerns over how Teheran may act to undermine agreements between Israel and Syria, Lebanon, and the Palestinians.
Iran's conventional land and air forces have significant limitations with regard to mobility, logistics infrastructure, and modern weapons systems. Rivalry and mistrust between Revolutionary Guards, the regime's main internal security arm, and the regular armed forces is serious and hampers effective operations among the nearly half million in the uniformed services. Iran has compensated for these weaknesses by developing (or pursuing) numerous asymmetric capabilities,

to include subversion and terrorism, the deployment of air, air defense, missile, mine warfare, and naval capabilities to interdict maritime access in and around the Strait of Hormuz, and the acquisition of WMD and longer range missiles to deter the U.S. and to intimidate Iran's neighbors.

Iran has a relatively large ballistic missile force, and is likely assembling SCUD SSMs in the country. Last June, in response to the assassination of a high-ranking Iranian army general, Iran used SSMs to attack anti-regime Iranians encamped about 100 kilometers inside Iraq. Teheran intends to develop longer range SSMs capable of striking the entire Arabian Peninsula and Israel.

Iran's navy is the most capable in the region and, even with the presence of Western forces, can probably stem the flow of oil from the Gulf for brief periods employing KILO submarines, missile patrol boats, and numerous naval mines, some of which may be modern and sophisticated. Aided by China, Iran has developed a potent anti-ship cruise missile capability to threaten sea traffic from shore, ship, and aircraft platforms.

Although Iran's force modernization efforts will proceed gradually, during the next 15 years it will likely acquire a full range of WMD capabilities, field substantial numbers of ballistic and cruise missiles_including some with intercontinental range_increase its inventory of modern aircraft, expand its armored forces, and continue to improve its anti-surface ship capability. Iran's effectiveness in generating and employing this increased military potential against an advanced adversary will depend in large part on `intangibles'_command and control, training, maintenance, reconnaissance and intelligence, leadership, and situational conditions and circumstances.

Iraq. Years of UN sanctions and embargoes as well as U.S. and Coalition military actions have significantly degraded Iraq's military capabilities. Overall manpower and materiel resource shortages, a problematic logistics system, and a relative inability to execute combined arms doctrine have adversely affected Iraqi military capabilities. These shortcomings are aggravated by intensive regime security requirements.

Nevertheless, Iraq's ground forces continue to be one of the most formidable within the region. They are able to protect the regime effectively, deploy rapidly, and threaten Iraq's neighbors absent any external constraints. Iraq's air and air defense forces retain only a marginal capability to protect Iraqi air space and project air power outside Iraq's borders. Although the threat to Coalition Forces is minimal, continued Iraqi confrontational actions underscore the regime's determination to stay the course. Iraq has probably been able to retain a residual level of WMD and missile capabilities. The lack of intrusive inspection and disarmament mechanisms permits Baghdad to enhance these capabilities. Lessons learned and survivability remain the regime's watchwords.

Absent decisive regime change, Iraq will continue to pose complex political and military challenges to Coalition interests well into the future. Baghdad's attempts to upgrade its military capabilities will be hampered as long as effective UN sanctions remain in place. Reconstitution of strategic air defense assets, WMD, and ballistic missile capabilities remain Baghdad's highest priorities. Expansion and modernization of ground and air forces are secondary objectives. Over the longer term, assuming Iraq's leadership continues to place a high premium on military power, is able to 'get around the sanctions regime' sooner rather than later, and the price of oil is stable,

Baghdad could, by 2015, acquire a large inventory of WMD, obtain hundreds of theater ballistic and cruise missiles, expand its inventory of modern aircraft, and double its fleet of armored vehicles. While this force would be large and potent by regional standards, its prospects for success against a western opponent would depend ultimately on how successful Baghdad was in overcoming chronic weaknesses in military leadership, reconnaissance and intelligence, morale, readiness, logistics, and training.

Other Issues of Concern

There are two other nearer term issues_the situation in the Balkans and the continuing rivalry between India and Pakistan_that deserve comment based on their potential impact on U.S. security interests.

Federal Republic of Yugoslavia. During 1999, there was great upheaval within the Federal Republic of Yugoslavia (FRY). Despite remaining nominally part of the FRY, Kosovo was lost to Serb control during the summer. The year ended with increased tensions between the last two constituent republics of the FRY, Serbia and Montenegro. President Diukanovic of Montenegro, a long-time political rival of Milosevic, has moved to redefine relations between the two republics. His program calls for virtual political, economic, and foreign and defense policy independence of Montenegro. Predictably, Serbian President Milosevic resists these efforts. Though the Yugoslav Army maintains a garrison in Montenegro that could easily defeat the small Montenegrin paramilitary forces, neither side appears ready to force the issue at this time.

Despite defeat by NATO and the loss of Kosovo, FRY President Milosevic does not appear in imminent danger of losing his political control. This is probably attributable to the near total lack of unity among the various political opposition parties within Serbia. There is currently no reason to believe that Milosevic will not serve his entire term of office, which expires in the summer of 2001.

Kosovo. Since entering Kosovo, NATO forces have overseen the withdrawal of Serb forces and the demobilization and disarmament of the UCK. KFOR is in control of the province, but ethnic violence continues, most directed at remaining Serbs by vengeful Kosovar Albanians. There is no direct military threat to KFOR, but there is always the possibility that KFOR troops could be caught in ethnic fighting. The FRY military has reorganized following the loss of Kosovo, but is concentrating on force and facility reconstitution and does not appear able or willing to attempt a re-entry into Kosovo.

Bosnia. International peacekeeping forces in Bosnia continue to operate in a complex inter-ethnic environment that poses significant challenges to the establishment of a stable and enduring peace. Deep mutual distrust among Bosnia's ethnic factions and the legacy of war has created an impetus toward de facto partition of Bosnia. AR three of the Bosnian factions have resisted full implementation of the Dayton Accords at one time or another. Each ethnic group will only cooperate as long its perceived, long-term interests are not forfeited or marginalized. Although the civilian aspects of Dayton are lagging in their implementation, progress has been made. We believe the Bosnian factions will continue to generally comply with the military aspects of the

Dayton Accords and SFOR directives, and will not engage in widespread violence, so long as peacekeeping forces remain credible. Pervasive international engagement_both political and economic_will be necessary to prevent a permanent division of Bosnia along ethnic lines.

SFOR is the dominant military force in Bosnia, and the direct military threat facing it remains low. SFOR monitors all factional armies, permitting the entities to train only with SFOR approval, and keeping all equipment in cantonment sites. None of the factions will risk taking any kind of overt military action against SFOR. The Federation Army is receiving assistance from the Train and Equip Program, which is moving the military balance in its favor. However, the Federation Army continues to be hampered by the unwillingness of the Muslims and Croats to effectively integrate. The Bosnian Serb Army, which no longer enjoys an overwhelming superiority in heavy weapons, poses very little threat to SFOR as it is hampered by its own internal problems such as insufficient funds for training, equipment modernization, maintenance, and personnel.

Participating in refugee resettlement, freedom of movement, and other civil implementation issues may expose SFOR personnel to increased risk. The international community proclaimed 1999 as a year of refugee returns, and it began to focus on moving people back to areas where they are ethnically in the minority. An increase of 40 percent was realized in minority returns in 1999, but this is a slow and uncertain process that is marked by occasional incidents of local violence.

India and Pakistan. The tense rivalry between India and Pakistan remains an important security concern. Both nations continue to invest heavily in defense and the procurement of military equipment. At present, each side possesses sufficient material to assemble a limited number of nuclear weapons, has short-range ballistic missiles, and maintains large standing forces in close proximity across a tense line of control. With each viewing their security relationship in zero-sum terms, we remain concerned about the potential, particularly over the near term, for one of their military clashes to escalate into a wider conflict.

The dispute between India and Pakistan concerning the status of the state of Jammu and Kashmir is the most likely trigger for war between the two countries. The state was the site of major fighting in 1947, 1965 and 1971; and again witnessed heavy military action in 1999. With Islamabad and Delhi'srespective positions on Kashmir firmly entrenched, meaningful progress on the issue is unlikely in the near term.

Conclusion

The dynamic change and uncertainty that characterized the 1990s will likely continue through 2015 because the basic engines of turmoil remain largely in place. The volatile mix of global political, economic, social, technological, and military conditions will continue to bring great stress to the international order. While no Soviet-like military competitor will emerge during this timeframe, the combined impact of numerous local, regional, and transnational challenges presents a formidable obstacle to our strategic vision.

Most adversaries will attempt to avoid directly confronting the United States military on our terms, choosing instead to pursue a variety of asymmetric means that undermine our power, leadership, and influence. Strategic nuclear threats win endure through this timeframe, but the

mix of adversary strategic doctrines and capabilities will complicate deterrence planning. China, Russia, North Korea, Iran, and Iraq will maintain relatively large and well-equipped militaries, which could pose a significant challenge under the right operational conditions.